

Senate Medicaid Committee
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Interested Party Testimony of David J. Owsiany, J.D.
Executive Director of the Ohio Dental Association
Main Operating Budget FY 2016-2017

Chairman Burke, Vice Chairman Manning, Ranking Minority Member Cafaro and Members of the Senate Medicaid Committee-

My name is David Owsiany, and I am the Executive Director of the Ohio Dental Association, which represents 5,400 Ohio dentists. Thank you for this opportunity to present testimony related to Ohio's Medicaid budget for Fiscal Years 2016-17. On behalf of the ODA, its member dentists and the dental patients we serve, I urge your support for increased Medicaid reimbursements for dental services.

In presenting his proposed state budget for FY 2016-17, Governor Kasich acknowledged that dental reimbursements must be raised. The Governor's Executive Summary to the state budget states:

- "Medicaid rates for dental providers have not increased since January 2000"
- "The current average maximum dental fee in Ohio Medicaid is approximately 36 percent of the average charge of the 2011 American Dental Association survey of fees."

This means that Medicaid dental reimbursements have not been adjusted in 15 years and reimbursement levels have fallen to below 40% of a dentist's regular fee for services. Ohio's dental Medicaid reimbursements rank 41st out of 50 states – that is 10th from the bottom.

The Governor proposed to increase dental provider rates by one percent. While we appreciate the governor including a one percent increase and, most importantly, for bringing attention to this critical issue, we respectfully request that after 15 years of neglect more needs to be done in order to make Ohio's dental Medicaid program viable. The typical overhead in a dental office is 60 to 65 percent so with reimbursements below 40 percent of a dentist's regular fee for most services, many dentists cannot even cover their overhead when treating Medicaid patients.

And while private dental offices are the predominant providers of dental Medicaid services in Ohio, dental clinics are often a significant part of the dental safety net in many communities. Because the vast majority of their patients are served by Medicaid and the reimbursements are so low, many of these dental safety net clinics are on the verge of closing.

The dental clinics at The Ohio State University College of Dentistry and the Case Western Reserve University School of Dental Medicine are important parts of the dental safety net in Columbus and Cleveland, and a viable dental Medicaid program will ensure that the dental students will continue to have the opportunity to provide care to Medicaid patients, which makes them more sensitive to, and competent in, addressing the complexities of providing care to the Medicaid population following graduation.

I have attached information related to dental Medicaid, including studies that demonstrate that in other states where dental Medicaid reimbursements were raised to a level closer to market rates, more dentists participate in providing care to Medicaid patients and more Medicaid patients are able to access dental care. For example, in one of the studies analyzing Medicaid utilization following reimbursement rate increases in Connecticut, Maryland and Texas, the researchers concluded that “increasing Medicaid dental fees closer to private insurance fee levels has a significant impact on dental care utilization and unmet dental need among Medicaid-eligible children.”

In a study published in the *Journal of the American Dental Association* in January 2015, the authors examined the impact of dental fees in Connecticut. By raising dental Medicaid fees to the 70th percentile of dentist’s regular fees, access to dental care dramatically improved in Connecticut. In fact, following the fee increase, Medicaid recipients in Connecticut had utilization rates that were equal to and in some cases better than those patients with private insurance. A study published in the July 13, 2011 *Journal of the American Medical Association* concludes that “higher Medicaid payment levels to dentists were associated with higher rates of receipt of care among children and adolescents.”

All of the evidence demonstrates that increasing Medicaid rates for dental services improves access to care for the underserved.

Having a viable dental Medicaid program also ensures that state dollars are used efficiently by ensuring patients can access care in the dental office and in dental clinics, which is more cost effective than in hospital emergency rooms, which often times treat the symptoms with prescriptions for pain and infection but are not equipped to treat the underlying oral health issue.

As many of you know, the dental profession is committed to improving the oral health of all Ohioans and no organization has done more to address access to dental care in Ohio than the ODA. Through our Give Kids a Smile program, Ohio’s dentists provide more than a million dollars in free dental care to underserved children in Ohio annually. Through the dental OPTIONS program, Ohio’s dentists provide another nearly 2 million dollars in donated care to underserved adults and children. In fact, a recent independent survey by Saperstein and Associates revealed that the typical Ohio dentist donates more than \$12,000 annually in free care to underserved Ohioans. That translates into more than \$40 million in donated dental services every year in Ohio.

The dentists of Ohio have also championed and entirely funded the Ohio Dentist Loan Repayment Program which has placed dozens of dentists into designated professional shortage areas providing care to Medicaid-eligible and other low income adults and children. And thanks to the passage of House Bill 463 from last session, Ohio’s dentists will fund the doubling of a capacity of the loan repayment program to incentivize even more Ohio dentists to practice in under-served areas. House Bill 463 included many other provisions to improve access to dental care, including enhancing the ability of dentists to utilize the entire dental team – including dental hygienists, certified dental assistants, and expanded function dental

assistants – to the fullest extent possible to better provide critical prevention services in underserved settings.

While volunteerism and these initiatives to improve the dental delivery system in Ohio are important they cannot possibly meet all of the oral health needs of Ohio's underserved without a viable dental Medicaid program.

Studies show that oral health is critical to good overall health. In fact, dental disease has been associated with heart disease, diabetes, stroke and low birth-weight babies. Quite simply, one cannot have good overall health without having good oral health. Moreover, as we ask Ohioans on public assistance to return to the workforce, in our service-oriented economy, it is critical that these Ohioans have an acceptable appearance. Studies show that low income adults who do not have access to dental care are less likely to be able to secure employment than those with good oral health and children without access to dental care are more likely to miss school and have difficulty learning in school because of dental pain.

For all these reasons, on behalf of Ohio's dentists and dental clinics and the millions of patients they serve, we ask that funding be provided to raise Ohio's Medicaid dental reimbursements to the level that they were 15 years ago at 65 to 70% of dentists' regular fees. This will allow more dentists to participate in the Medicaid program, will keep Ohio's dental safety net clinics functioning, and most importantly will improve access to dental care for Ohio's most vulnerable patients.

We also understand the financial constraints the state is under so if the state is not able to return dental Medicaid reimbursements to a level consistent with where they were before the last 15 years of neglect, we suggest that the General Assembly include \$7.5 million in state dollars (approximately \$21 million in total dollars with the federal match) in FY 2016 and \$15 million in state dollars (approximately \$42 million in total dollars with the federal match) in FY 2017. This would allow for an approximately 10 to 12 % increase in dental reimbursements across the state, which is absolutely necessary to keep the existing providers in the Medicaid program and to keep the doors open to dental safety net clinics across Ohio.

Moreover, this would allow for a pilot program to test fee differentials – paying dental providers closer to market rates – in specific Appalachian counties. In the report *Hills and Valleys: The Challenge of Improving Oral Health in Appalachian Ohio*, the Ohio Department of Health reported in 2012 that children and adults in Ohio's Appalachian counties tend to have significantly worse oral health than the rest of Ohio. Because of the unique challenges and barriers to care in Appalachia, the report recommended that the state “explore and test Medicaid fee differentials for primary care dentists practicing in Appalachia.”

Increasing dental Medicaid reimbursements by 10 – 12% across Ohio and creating a pilot project testing fee differentials in certain targeted Appalachian counties will be a good first step in restoring Ohio's dental Medicaid program after 15 years of neglect.

Again, thank you for the opportunity to discuss the importance of the dental Medicaid program with you. I would be happy to answer any questions you might have.